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1. On 27 November 1952 Minister President Heinrich Rau, the new State Secretary for the Office for the Coordination and Control of Internal Trade, Hermann Strampfer, the Director of the Administration for Material Production, Alfred Binz, and other unidentified East German government officials met to discuss the increasing difficulties incurred in provisioning the civilian population of East Germany. The meeting was under the direction of Minister President Rau.
2. It was pointed out at the meeting that an increasing excess purchasing power exists in East Germany. This has been caused by the fact that increases in productivity have not matched the increase in the income of the population. Since the beginning of 1952, for example, productivity increased only 12 percent while income rose 13.5 percent. At the same time marketable consumer goods decreased because a considerable part of the East German produce had to be placed at the disposal of police troops and applied to state reserves. This is true of foodstuffs as well as industrial products.
3. Since there is no hope that the volume of products will increase in 1953, it is necessary to limit or decrease in some other way the purchasing power of the civilian population. East Germany will allegedly try to solve the problem by imposing state bonds (Staatsanleihe) for reconstruction of the country and place an extra tax (excise tax) on a large number of consumer goods in short supply. These measures were not to be made public until after Christmas 1952. The wage group catalog which is currently being worked out is to be re-examined to make sure that any further increase in salary income is avoided.

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25 YEAR RE-REVIEW